



FY 2021 PRELIMINARY FISCAL PLAN

BUDGET TOWN HALL, APRIL 30, 2020

ACCOUNTABILITY

COLLABORATION

CUSTOMER SERVICE

EQUITY INNOVATION

SUSTAINABILITY



Town Hall Rules of Engagement

- Submit questions via:
 - Facebook comments section
 - Call 311 or 616.456.3000 (Interpretación en español disponible)
 - Text “townhall” to 73224
- We will answer as many questions as possible during the event.
 - All unanswered questions will be answered in a Q&A summary within one week at grandrapidsmi.gov/fiscalplan
- Please ask your question in a clear and concise manner – whether it’s by Facebook, phone or text.
- Hang in there if we have any technical challenges. We’ll do our best to address any issues as quickly as possible.
- Mire en español en <http://bit.ly/2KtGES4>

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Values, Vision, Mission



Vision

Grand Rapids will be nationally recognized as an equitable, welcoming, innovative and collaborative city with a robust economy, safe and healthy community, and the opportunity for a high quality of life for all.

Mission

To elevate quality of life through excellent City services.

Our Strong Foundation Supports FY2021 Budget

- Reduced spending from FY2020 adopted budget level
- Maintains essential services
- Begins work to ensure continued fiscal sustainability amid uncertain economic impact of COVID – pivot in less than a month (State of City in early March)
- Maintains reserve levels and agility
- Remains committed to values (equity lens) and the Strategic Plan
- Provides agility Allows \$3.75M (approximately \$500,000 General Operating Fund) to be used for recovery efforts

COVID-19 Impacts to the Michigan Economy

- State of Michigan shortfall expected between \$1 - 4 billion
- Economic impact projected by Moody's Investor Ratings as 10 - 14% decrease in Michigan's Gross Domestic Product (GDP)
- Many employers temporarily closed and/or furloughed employees
- Statewide unemployment

Date	Employed	Unemployed	%
February 29, 2020	4,461,500	166,000	3.60%
March 31, 2020	4,437,200	190,300	4.10%
April 10, 2020 *	3,620,000	1,007,500	21.80%

*Unofficial calculation by City staff based on various reports

COVID-19 Impacts to FY2021 Preliminary Fiscal Plan

- Complete overhaul of the budget in less than a month
- Total expenditures reduced by \$13 million to \$540 million from FY2020 expenditures of \$553 million; additional reductions likely needed
- 7% net General Operating Fund (GOF) reduction (previously projected FY2020 GOF revenues of +4% in the adopted FY2020 Fiscal Plan are now projected at -3%)
- Revenues are now projected to underperform FY2020 through FY2025 (cumulative \$24M GOF spending deficit FY22-FY25 without aggressive recovery)

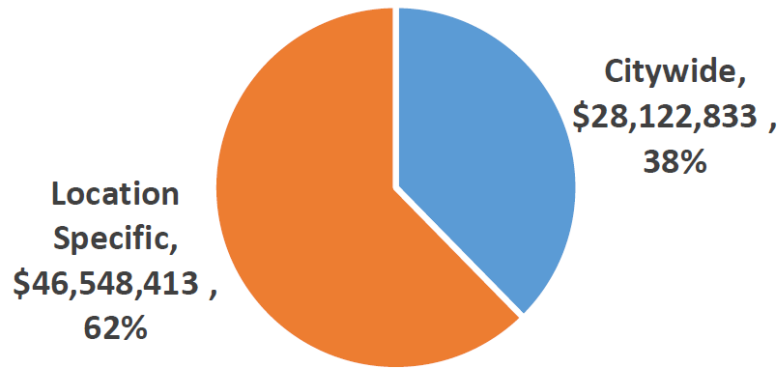
Cost Savings Highlights



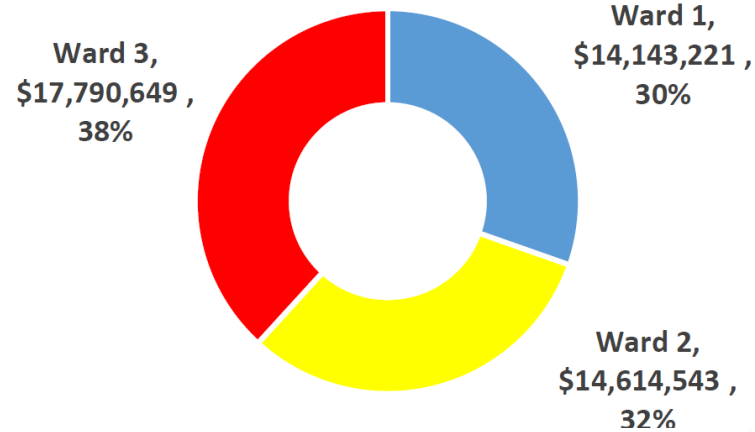
- Modified hiring freeze
- No new positions included for FY2021
- Reduced temporary staffing
- Reduced travel
- \$5.2 million restructured health care plan
- \$500,000 electricity costs
- \$500,000 in-house trench repair program

FY2021 Proposed Capital Investments (\$74.67M)

FY2021 All Capital Projects



FY2021 All Location Specific Projects by Ward



FY2021 All Location Specific Capital Projects in NOFs





Economic Prosperity and Affordability

Select Investments

- General Fund (\$1.1M)
 - New Economic Development Director to begin at the start of the fiscal year
 - Housing Next partnership and State Land Bank contract
 - Retail support specialist
 - Micro-Local Business Enterprise (MLBE) support
 - Grand River Revitalization (capital)
- Leveraged External Funding (\$1.82M)
 - Business development on contaminated and functionally obsolete properties
 - Improvement support in Corridor Improvement Authorities
 - Our Community's Children workforce development programs



CARES ACT Funding

(Coronavirus Aid, Relief and Economic Security)



- City eligible for \$2.2 million in Community Development Block Grant and \$1.1 million in Emergency Solutions Grant funding under CARES Act (funding not yet received)
- City Strategy in four impact areas:
 1. **Resident Resiliency** – to mitigate impacts on residents and neighborhoods
 2. **Business Resiliency and Recovery** – to address impacts of the shutdown, help sustain businesses and prepare for recovery
 3. **Community Reactivation** – to accelerate the reopening by celebrating the community, neighborhoods and business district and building lasting connections
 4. **Transportation and Infrastructure** – investing in outcomes that connect people to the recovery and ensuring that the City takes advantage of state and federal



Safe Community Investment Overview

- Maintain FY2021 services and budget at or above FY2020 for public safety
- Apply for COPS Grant for 5 officers – future commitment of \$264,000 in FY2021, \$378,000 in FY2022, \$408,000 in FY2023, \$647,000 in FY2024 and \$686,000 in FY2025 for a total of \$2.4M
- Redeploy personnel for Homeless Outreach Streets Team
- Contract civilians for traffic incidents – redeploy





Safe Community Select Investments

- General Fund (\$2.71M)
 - ELUCD contract
 - Training for Police recruits
 - Youth Police Academy and Youth Commonwealth
 - Fire apparatus
 - Mel Trotter's Public Inebriate Program
 - Michigan Prisoner Re-entry/Support Groups
 - Division Fire Station land acquisition (capital)
 - Water rescue equipment (capital)
- Enterprise Funds (\$330,000)
 - Parking security enhancements (capital)
 - Pedestrian Hybrid Beacons (capital)
- Leveraged External Funding (\$3.94M)
 - Public safety engagement by neighborhood associations
 - Homelessness prevention and rapid rehousing
 - Durable pavement markings
 - Traffic safety improvements (capital)



Mobility Select Investments

- Enterprise Funds (\$5.43M)
 - DASH and Route 19
 - Sidewalk snow plow pilot
 - Parking improvements (capital)
 - Multi-modal initiatives (bikeshare, e-scooter, carshare) (capital)
 - Bus transit stop improvements (capital)
- Leveraged External Funding (\$27.99M)
 - Vital Streets (capital)
 - Sidewalks (capital)





Health and Environment Select Investments

- Enterprise Funds, Bonds, Millage (\$34.74M)
 - Lead service line replacements
 - PFAS testing
 - Renewable energy credits
 - Biodigester operations
 - Pool operations (COVID-19 Impact TBD)
 - Park projects (capital)
 - LED street lighting (capital)
 - Water and sewer projects (capital)
- Leveraged External Funding (\$2.31M)
 - Equitable carbon reduction for single family homes
 - Residential lead remediation
 - Connecting Children to Nature
 - Recycling contamination
- General Fund (\$2.75M)
 - Forestry Tree Asset management
 - Martin Luther King Jr. Park Lodge (capital)
 - Third Ward Park acquisition (capital)
 - Stormwater (capital)
 - Hastings Street non-motorized path (capital)
 - Grand River walkway phase II (capital)





Engaged and Connected Community Select Investments

- General Fund (\$260,000)
 - WeAreGRpublication
 - Language access contract
 - Neighborhood Match Fund
 - Neighborhood Summit
 - Community engagement framework development and implementation
 - Leadership Academy
- Leveraged External Funding (\$1.23M)
 - Community cable television equipment (capital)
 - Neighborhood Association support
 - Neighborhood connectors work





Governmental Excellence Select Investments

- Internal Service or Enterprise Funds (\$6.47M)
 - Data analysis and transparency
 - Security enhancements at public facilities
 - Software and technology upgrades and enhancements
 - Facilities improvements, asset management (capital)
 - Communications and technology upgrades for parking facilities (capital)
- Leveraged External Funding (\$200,000)
 - Equitable Grand River Restoration Initiative

- General Fund (\$1.02M)

- Master Plan scoping
- Indigent defense representation
- Digital evidence storage for Police
- Equity training and employee resource groups
- Hire Reach, organizational development and staff training (onsite and local)
- State and federal legislative contracts
- Software and technology upgrades and enhancement



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